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U.S. Secretary of Transportation Mary E. Peters Issues Recommendations to Help Avoid Future Abrupt Aircraft Groundings, New Measures to Improve Air Travel
Travelers to Get Better Delay Data, Warnings About Baggage Fees and Better Service, Lower Fares At New York's JFK and Newark Airports

Airlines, aircraft manufacturers and the federal government should review current procedures to avoid the kind of massive abrupt flight cancellations that left hundreds of thousands of passengers stranded this April, U.S. Secretary of Transportation Mary E. Peters announced today.

FAA and American Airlines Report Recommendations

Citing lessons learned from reports submitted by the Federal Aviation Administration and American Airlines in response to last month's grounding of hundreds of MD-80 aircraft, the Secretary called on the FAA and airlines to better ensure mutual understanding of what constitutes compliance with an Aviation Directive.

Secretary Peters added that the FAA and airlines need to review and improve procedures for understanding the process, timing and criteria for requesting and approving alternative solutions for safety directives, known as Alternate Means of Compliance.

The Secretary also said she is calling on airlines and the Federal Aviation Administration (FAA) to review existing protocols for communications to make sure that significant safety decisions are made using a clearly documented process.

"When situations of this magnitude evolve, it is critical that all parties have the right information so the right decisions can be made," Secretary Peters noted.

She said the reports make clear that the FAA is the ultimate arbiter of what constitutes a safety of flight issue and that safety deadlines must always be met on time. "It's important to note that both American and the FAA agree when it comes to aviation safety, there are no soft deadlines."

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New Air Travel Consumer Protections

Secretary Peters also released new consumer protection measures designed to improve air travel nationwide and cut congestion, increase competition and reduce fares at New York's JFK and Newark Airports. She said the Department would begin requiring airlines and travel agents to disclose fees for checking a second bag in their internet and print ads and before anyone purchases a ticket.

The Secretary also said that the Department today issued a final rule to require airlines to report new and more complete data on the time passengers spend on the tarmac. She noted that in the past airlines sometimes did not have to disclose how long aircraft were delayed after leaving the gate.

The new rule will require airlines to provide complete on-time and tarmac delay data about flights that may depart from a gate more than once, flights that are cancelled after having left the gate and flights that are diverted to another airport. "Passengers should know whether it will take as long for their flight to get to the runway as it will to land at their destination," she added.

Cutting Delays, Improving Service, Reducing Fares in New York

The Secretary also announced three new measures designed to address severe delays at the three major New York area airports while preserving consumer choice, allowing for continued airline competition and keeping fares affordable.

She noted that the Department today posted the final order to temporarily cap flights at Newark Liberty Airport at an average of 83 scheduled flights per hour at the airport from June 1 until October 2009. However, she noted that while the measure will spread flight schedules more evenly throughout the day, it still will allow for an additional 30 operations per day than what was offered at the airport last summer.

Secretary Peters announced that the Department of Transportation will invest \$2 million for a new study to look at ways to add transit connections to New York's Stewart Airport, which is located approximately 90 miles north of Manhattan. She noted that the facility has the kind of runways and facilities that could take pressure off the region's busier airports as long as travelers can easily get there.

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The Secretary said these two new measures build on previous steps by the Department to cap JFK and LaGuardia Airports, to improve airspace capacity and to better manage the region's airspace under a single aviation czar. But she cautions that while "all these measures are significant, no one should consider them sufficient."

She noted that capping the region's airport capacity without providing new ways to attract competition "would likely deliver fewer delays, but would certainly bring stagnant service, limited consumer choices and increased fares." As a result she said the Department was proposing new measures to make available a limited number of take off and landing opportunities, known as slots, for auction at JFK and Newark Airports.

"In order to ensure that airport caps do not become an economic drain on the region and the rest of the country, we need a way to keep aviation competition alive in the free market capital of the world," Secretary Peters said. "This new proposal will do much to make flying to New York attractive."

Under the proposal, all airlines operating at Newark and JFK would be given up to 20 slots a day for the 10-year life of the rule. The proposal offers two options for JFK. Under the first, 10 percent of the airline's slots above the 20-slot baseline would be made available via an auction. The revenue from those auctions would then be invested in congestion and capacity improvements in the region.

Under the second option for JFK, the airlines would auction 20 percent of slots above the 20-slot baseline and keep all of the proceeds. The Secretary noted that, depending on the option, between 91 and 179 slots would be affected out of 1,245 total slots at the airport.

The proposal also calls for auctioning 10 percent of slots at Newark Airport above the baseline annually for the first five years of the rule. As a result, only 96 slots out of a total of 1,219 slots at the airport would be auctioned over the 10-year span of the proposal.

The Secretary noted that airlines operating at the two airports "would receive a 10-year interest in some of the world's most valuable aviation assets, free of charge, free of question and free of hassle." She added that other airlines would get a chance to compete in an attractive aviation market, but to do so they would have to make investments that benefit every existing carrier.

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She said the Department was making the proposal because economists estimate that caps at airports without competition can increase fares for passengers between 11 to 15 percent over similar flights at other airports. Meanwhile economists estimate that fares drop by over 30 percent when new airlines enter a market.

“Simply put, competition drives down fares,” Secretary Peters said. She added that the Department will accept comments on the new proposal for the next 60 days, which would be thoroughly reviewed and analyzed before any final rule is issued.

For more information about the Secretary’s announcements, please visit <http://www.dot.gov/affairs/aviation080516/index.htm>

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